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ABSTRACT

This document is a compilation of substantive legislative issues papers concerning the Florida Community College System in 2001. It examines the following six legislative issues, considered to be of high visibility and importance: (1) issues included in the budget, which consist of funding formulas, dual enrollment, and matching grants; (2) issues with funding implications, which include the Associate of Science degree and workforce formula, adult education funding, accelerated workforce education, rates for electronically delivered instruction, in-state tuition for military, information technology training, student fees, in-state tuition and fees, and the diversity inclusion model; (3) education governance reorganization issues; (4) access issues involving financial aid; (5) regulatory licensing issues, which are comprised of nursing ratio, opticianry, and the Florida building code; and (6) other issues that include workforce tax credits, federal workforce funds, the Administrative Procedures Act rulemaking, retirement plans, and reports reduction. The document also examines the two legislative watch issues of contiguous county tuition and apprenticeships. (KP)

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FLORIDA COMMUNITY COLLEGE SYSTEM

2001
SUBSTANTIVE LEGISLATIVE ISSUE PAPERS

Florida Council of Community College Presidents
State Board of Community Colleges
and the
Florida Association of Community Colleges

January 20, 2000

JC020003

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Acknowledgments

The following legislative issues papers and related documents were prepared for consideration by the Council of Community College Presidents, the State Board of Community Colleges and the Florida Association of Community Colleges by the FACC Legislative Committee through the cooperative efforts of the community college legislative liaisons, the Division of Community College's Staff, and the staff of the Florida Association of Community Colleges. Specifically, the following individuals contributed to this publication.

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HIGH VISIBILITY/IMPORTANCE

Issues Included in Budget

COMMUNITY COLLEGE PROGRAM FUND: OPERATIONAL RESOURCES FUNDING MODEL

Issue:

Over the years, the State Board of Community Colleges, the Council of Presidents, local boards of trustees and even members of the Florida Legislature have noted the lack of consistency, equitable and sound public policy in the funding process for Florida Community Colleges.

Why is this an issue:

The current statute (240.347) regarding the Community College Program Fund (CCPF) formula has not been utilized by the Legislature since 1991. In fact, the Legislature uses a different methodology almost each session to calculate the allocation of the CCPF and distribute it to each college. At this time, a clear allocation policy regarding the allocation of state funds for general revenue in the Program Fund, lottery funds, Performance Based Budgeting and Workforce does not exist. This lack of a consistent funding process places colleges at a fiscal disadvantage. As a result, colleges are unable to properly plan, unable to make rational management decisions relative to program offerings, and unable to anticipate the effect that a budgetary decision will have on future operating revenues.

The Governor and members of the Governor's staff have expressed support for a statutory formula. Others in the Florida House and Senate, including House and Senate staff, have voiced a concern, as well.

Options:

- The current process of advocating a funding process each session relative to each budget request is an option. However, it has not worked well in recent years.
- An amendment to the statutes which describes the recommend funding process and policy of Florida community colleges should be developed and presented to the legislature.

FACC 11/25/00: htalbvh

CAPITALIZATION INCENTIVE GRANTS/CRITICAL JOBS and WORKFORCE START-UP

Issue:

Two challenges face our workforce development programs.

- Keeping existing high skill/high wage programs up to date with the requirements of business and industry.
- Implementing new and expanded programs in response to economic development needs.

However, the current statutory language restricts the use of capitalization incentive grants for only new and expanding programs, thus precluding their use to upgrade existing programs.

Why is this an issue:

The Workforce Innovation Act of 2000 requires the Regional High Skill/High Wage Committees to identify economic development priorities by identifying those occupations critical to business retention, expansion, and recruitment. Capitalization Incentive Grants can be used to respond to these needs; but, they are one-time, non-recurring funds. Institutions are forced to reduce funding to other programs in order to keep the new or expanded programs operational despite the fact that essentially all the workforce programs are already on the high skill/high wage targeted list.

In the Workforce Innovation Act of 2000, the legislature recognized the frequency with which workforce development programs are changing and required that programs be reviewed and program standards be revised every three years. The sector strategy initiative of the State Board of Community Colleges satisfies this requirement for the Associate in Science degree programs by identifying technical, academic and workplace skills; evaluating the viability of distance learning for instruction; and reviewing work/learn cycles that are responsive to business and industry as required in Section 239.229 (2)(c)4, F.S.

Application of the 85/15 Workforce Development Education (WDEF) formula before new and expanded programs have been properly established and have been up-and-running for a reasonable length of time is a disincentive to colleges and school districts to implement new and expanded programs.

On the capital side, building, retrofitting, and maintaining equipment and facilities through the normal PECO process takes far too long and is mired in the current state bureaucratic system. The colleges do not have the maximum flexibility for leasing facilities or for refreshing equipment.

PEPC is preparing a report on a procedure within the WDEF formula for new programs. Specific proviso language in the report will suggest that there needs to be a means " . . . that will facilitate community colleges and school districts starting new programs by using existing workforce funds without putting performance earnings at risk."

Options:

- Propose revisions to Section 239.5141 which allows the Capitalization Incentive Grants to be used to upgrade programs in response to revised program standards; and allow PEPC to recommend recurring funding for new and expanded programs implemented specifically in response to local economic development priorities as recommended in PEPC's report to the Legislature.
- Advocate that the legislature support funds for Horizon/Critical Jobs requests for community colleges and that the legislature roles the recurring costs of these programs into base community college funding.
- Request continuation of the Capitalization Incentive Program for community colleges and school districts and that the legislature roles the recurring costs of these programs into base community college funding.
- Advocate a "grace" period before the 85/15 WDEF formula apples to new or expanded programs. (The SBCC Legislative Budget Request includes support for recurring funds in the amount of $150,000 per program, per year as well as sheltering earnings for two years as recommended by PEPC.)
- Highlight the redirection efforts of the colleges over the past few years and advocate new, recurring funds to nurture new and expanded programs.
- Advocate funds for "non-glitzy" but needed workforce programs.
- Allow school districts and community colleges to expend up to 10% of their Workforce Development Education Funding for continuing workforce and new program development as recommended by PEPC.

FACC 11/25/00: htalbvh

DUAL ENROLLMENT

Issue:
Dual enrollment programs offered by Florida community colleges provide high school students with a unique opportunity to take college-level courses in conjunction with their high school curriculum. This opportunity not only supplements high school curricula, but also saves students and parents money and provides an opportunity for high school students to earn college credits while still in high school. Dual enrollment courses are offered for both college credit and vocational credit.

Why is this an issue:
Dual enrollment students are statutorily exempt from paying fees (FS 240.116). However, since 1997 when SB 1688 passed, colleges have not received the .25 funding increment per FTE to make up for the lost fee revenue. In 1997-1998 the system needed $8.8 million in the Community College Program Fund to make up for the lost fee revenues which were generated by dually enrolled students. In 2000, the colleges sought $8.3 million to make up for the lost dual enrollment fee revenue, but were funded for only $2.5 million in the CCPF and this $2.5 million was not specifically categorized as dual enrollment dollars.

This lack of fee revenue funding for dually enrolled students was exacerbated by the passage of HB 2105 during the 2000 Legislative Session. HB 2105 provided that students and parents will make the decision regarding enrollment in Dual Enrollment programs which will almost certainly increase the number of dually enrolled students that the colleges will serve. In addition the bill requires the colleges to provide additional counseling services to dually enrolled students with no additional revenue to support the additional counseling services.

Lastly, to distribute the $2.5 million in the CCPF, the legislature elected to use a new formula which was based on the potential for participation in dual enrollment programs in each community college district rather than the actual number of students enrolled in dual enrollment programs at each community college. As a result, the distribution of the $2.5 million had no relationship to the actual number of dually enrolled students each college served.

Options:

- Change statutes to reimburse the colleges for the mandated fee exemptions for dually enrolled students and fund the mandated fee exemptions within the CCPF (note: this option was approved by the Council of Presidents at the December meeting).

FACC 11/25/00:htalbvh

MATCHING GRANTS

Issue:

The community college challenge grant matching programs have enjoyed unparalleled success and growth in recent years. In 1996-97, the matching program appropriation for community colleges was only $10.2 million. In the five years since that time, our matching program appropriation has more than doubled, reaching $25.2 million in 2000-01. During the last several years, there have been a number of changes in the way the appropriation request is calculated. The system has moved from using an estimated amount as prescribed in law to using the amount of private contributions on hand to be matched at a fixed date as the basis for the request. The statutes and rules provide instructions for the State Board to allocate the appropriations to colleges. However, the change in the way the appropriation request is determined conflicts with many of these statutory/regulatory instructions. Also, the scholarship-matching program has never been incorporated into law, making it highly vulnerable to the political process each year.

Why is this an issue:

The current process for requesting and distributing state matching dollars conflicts with state law and rule.

- The Scholarship Matching Program does not exist in statute, only in proviso from year to year, making it highly vulnerable to the political process.
- Current law does not specify the process to allocate matching program appropriations when the amount is less than the contributions eligible for state matching.
- Personnel involved in fund raising cite the importance of keeping individual donors apprised of how their contributions are being used and spent. However, the SBCC does not have the information or data necessary to do the same for legislative staff and members regarding their contribution, the state matching appropriation.

Options:

Propose legislation that would

- Incorporate into state law our current process for requesting and distributing state matching dollars.
- Incorporate the Scholarship Matching Program into law.
- Establish as the basis for determining our annual appropriation request the amount of unmatched private contributions receipted by a fixed date.
- Consolidate the Academic Improvement Trust Fund, Health Care Quality Enhancement Challenge Grant, and Scholarship Matching Program into one program and eliminate unnecessary administrative processes associated with maintaining three separate programs.
- Establish the matching ratios for matching program uses:
  - 1-to-1 match for scholarships, facilities, and financial aid.
  - 4-to-6 match for non-scholarship or facility uses (program, faculty, and other student related uses).

FACC 11/25/00: htalbvh

HIGH VISIBILITY/IMPORTANCE

Funding Implications

A.S. DEGREE AND THE WORKFORCE FORMULA

Issue:
Since the advent of SB 1688, A.S. degree programs have been funded under the workforce formula rather than

through the Community College Program Fund. There are serious flaws in the workforce funding formula: (1) it is rooted in the fact that the 1995-96 cost analysis was used to form the workforce pot; and (2) subsequent changes in the definition of performance were made that have altered the results. These flaws have caused many community colleges to lose money even though they are performing well in the A.S. program area.

Why is this an issue:
Several serious flaws in the workforce formula prevent it from rewarding performance:

- **A fundamental flaw from the inception:**
  1) When original monies were pulled out of colleges' funding and placed "at risk" to form the workforce pot, it was based on the 1995-96 cost analysis of A.S. courses which captured the cost per FTE for AS programs in particular.
  2) Since some *A.A.* students were sitting in these A.S. courses, it has subsequently become impossible to earn back all of these dollars because the dollars are earned back based on A.S. student outcomes (i.e., number of A.S. bodies that complete A.S. program and/or place into jobs).
  3) *A.A.* students will never produce any outcomes that will help colleges earn back money because their outcomes are not tracked under the formula.
  4) It is efficient for colleges to have A.S. and A.A. students sit in the same courses, but they are now penalized for doing so
- **The definition of "performance" has changed:**
  1) Performance is translated into points through a formula that includes weights and multipliers.
  2) Weights for placements of targeted populations were removed this past year, and weights for completers were revised unbeknownst to the colleges.
  3) Changes in the formula means changes in the meaning of "performance." As such, depending on the changes, the same college may be either a "winner" or a "loser."
  4) Colleges cannot plan and budget correctly if they are unsure about how performance will be defined, and what point value will be assigned to defined performances.
- **There is no correlation between dollars appropriated to a college and performance gains:**
  1) The main impetus for creating the workforce formula was to have a performance-driven formula for appropriations. Ironically, there is no correlation between performance and dollars under the current system.
  2) Colleges who lose money are presumed to be poor performers when in fact their productivity may have increased in terms of the performance measures.

Options:

- **Restore the A.S. Degree to College Credit** Funding under Chapter 240.
  1) A.S. is more similar to the A.A. than it is to other workforce programs, consequently, it should be funded in the same way as the A.A..
  2) Provide performance incentives within PBB as is done for the A.A. degree program.
- **Make a one-time correction** to the original Workforce Development Education Funding base for each college by subtracting the A.A. degree students that were part of the original AS FTE computation reported in the Cost Analysis and by making other appropriate adjustments as recommended by PEPC.
- **Fix the formula** to compute "performance" by establishing a previous base year, comparing future performance to that base, and utilizing a fixed point value as recommended by PEPC.
- **Restore the original agreed-upon weights** and factors for targeted populations especially in regard to the high unemployment factor as recommended by PEPC.
- **School districts and community colleges should use consistent FTE enrollment data** in the calculation of a workload factor within the Workforce Development Education Fund to ensure equitable funding for the two sectors as recommended by PEPC.

FACC 11/25/00: htalbvh

ADULT EDUCATION FUNDING

Issue:
Due to the unique nature and special needs of the Adult Education student and the diversity and nature of Adult

Education course offerings, it has been difficult to obtain uniform Adult Education FTE data from all colleges and school districts. Historically, student FTE has been used as a workload measure to help make rational funding decisions about community college program budgets. However, with the passage of SB1688 in 1997 the importance of FTE or "seat-time" funding diminished in favor of a performance-based funding model that rewards colleges for outputs and outcomes. As a result, the problems in calculating Adult Education FTE have been largely ignored by the legislature until the 2000 Legislative Session when it was determined by legislative staff that there were inequities in the Adult Education performance-based funding model. At the same time, legislative staff also recognized that the actual cost of delivering Adult Education programs was used to determine the community college portion of the Adult Education performance pot while an FTE model was used to determine the school district portion of the Adult Education performance pot which created additional inequities. Lastly, despite the diminished role for FTE's in community college funding, there is recognition by the colleges and the legislture that FTE calculations remain an important and necessary part of the overall funding structure as they are still used in calculating Capital Outlay and Debt Service, space utilization, long term trends, and program management and evaluation.

Why is this an issue:
As a result of the difficulties legislative staff has had in obtaining reliable and uniform Adult Education FTE data from the colleges and school districts, and as a result of the inequities in the performance-based funding model for Adult Education programs, the 2000 Legislature directed the Postsecondary Education Planning Commission (PEPC) to study the issue. Specifically, PEPC was directed to make "a recommendation for a new measure of FTE reporting for Adult General Education and Adult Vocational Education that is consistent among community colleges and school districts and is reflective of student participation and workload. The FTE measure should be appropriate for use in estimating fee revenue, capital outlay funding, analysis of long term trends, program management, and evaluation" (HB 2145; Specific Appropriation 153 through 157). To accomplish this task, PEPC has appointed a workgroup consisting of state and institutional representatives of both community colleges and school districts. The group has met and have tentatively agreed that two components are critical to a consistent definition of FTE in Adult Education:

1) When should a student be included in the calculation for an Adult Education FTE?
2) How many contact hours should be reported per an Adult Education Student?

We anticipate that PEPC will propose legislation to legislative staff by December 31, 2000 and that the legislature will take-up PEPC's recommendations.

Options:

- Support the PEPC recommendations which:
  1) define an Adult General Education FTE as equal to 900 student contact hours and is calculated by summing the number of contact hours undertaken by students enrolled in qualifying courses and dividing by 900.
  2) specify that a student is considered enrolled in an adult vocational education course when the registration requirements of the institution are met and the required tuition and fees have been documented and received.

FACC 11/25/00: htalbvh

ACCELERATED WORKFORCE EDUCATION

Issue:
Community Colleges are sometimes criticized for the perceived "inability to respond quickly to business and industry

needs." Individual businesses and organizations supporting business/industry have indicated that programs and courses are "too long," and that some programs fail to provide specific skill training for the workforce. At a recent Workforce Training Institute, community colleges were cited for a "lack of responsiveness". This criticism came primarily from regional workforce development boards which are seeking effective, short-term training under the Individual Training Accounts (ITAs).

Why is this an issue::
There appear to be two major issues: 1) Can community colleges provide accelerated programs and if so, why do business, industry, related organizations and regional workforce boards believe that they don't? 2) Do colleges have internal barriers that prevent workforce students from progressing quickly through programs? If so, what can be done about these barriers?

A special task force has been established with Dr. Kent Sharples serving as chair. This task force is charged with identifying what programs are currently offered; determining what barriers exist to short-term programs and/or the conversion of certain programs from semester length or longer to short-term programs, and suggesting possible solutions to both the real and perceived issues. It is anticipated that some of the barriers identified by this task force will include dictated curriculum frameworks, contact hour requirements by various accrediting agencies or certification organizations, and federal policy on financial aid for short-term programs. In addition, within individual institutions, the issue of where certain programs are housed, may determine the length of a course or program, whether or not it's PSAV, A.S. or self-supporting, and whether or not the institution profits more by counting OCP's or charging what the market will bear. Lastly, the task force will look at increased competition from proprietary institutions, who offer shorter programs with guaranteed job placement, internet-based training, and training provided by companies for their own employees to determine what measures need to be taken for the colleges to remain competitive.

Florida Business and industry are recruiting out-of-state. This has become a national issue, and, as a result, Congress has expanded Visas for Information Technology workers to fill the demand. To address this demand in Florida, Workforce Florida, Inc. has set a goal of training 1,000 IT workers by March 1, 2001, and the State Board's Legislative Budget Request targets the lack of qualified IT workers as "the most critical and potentially damaging challenge" for economic development in Florida.

The economic development sector in Florida tends to view states such as North and South Carolina as leaders in workforce training. The efforts in those states have resulted in an enhanced business and industry climate and improved quality of life indicators. Florida must learn from those states who have demonstrated a commitment to economic development.

Options:

- Identify and promote current accelerated programs.
- Identify barriers to implementing and expanding accelerated programs and pursue legislative or bureaucratic changes where necessary.
- Seek incentives to provide short-term response and link to longer-term programs.
- Support legislation which provides incentives for colleges to accelerate workforce programs.
- Consider whether current "Quick Response" training funds and the designated process is helping or hindering community colleges' ability to offer accelerated workforce programs.
- Support a portion of the Horizon Jobs Legislative Budget Request for accelerated workforce program funding.

FACC 11/25/00: htalbvh

ELECTRONIC RATE and IN-STATE TUITION FOR MILITARY PERSONNEL

Issue:
Education has become a product delivered on the Internet, which like other products must evolve and adapt to the new economy. Competition, innovation, and the ability of workers to acquire and use information fuel the new economy.

Information as educational content is expected to be available on-demand, irrespective of time or place.

While several states have passed legislation to establish e-rates for electronically delivered instruction or granted institutions the flexibility to establish their own rates, Florida's policies have not evolved. Currently, all Florida residents pay the same in-state tuition for all courses regardless of delivery method. Anyone who lives outside of Florida pays the out-of-state tuition rate with the exception of some military personnel.

Electronic delivery of instruction increases student access, expands the scope of course offerings and is also a valuable time-saving commodity to students. Legislative activity may involve an examination of distance learning education tuition policy in light of the economic advantages of regional/global opportunities versus the variety of philosophies on the use of tax dollars.

Why is this an issue:
"E-Learning" is critical to Florida's economic development activities designed to attract high tech, high wage companies. Governor Bush launched **MyFlorida.com** to push Florida forward to become the premier "e-commerce" state. Education must adapt traditions and policies to support these key economic development/workforce goals.

In order for public education to be relevant, technology-delivered instruction must continue to evolve. This evolution must include new and innovative policies that increase student access at all levels, are price-competitive, and offer exceptional learner support. Adapting to the new economy will require Florida to revise its tuition policies for technology-delivered instruction. An affordable e-rate (less than out of state tuition) is important because in the new e-commerce economy, business and industry tend to be more global or national than regional, and are more concerned with markets than artificial and constraining geographical boundaries.

In addition, military personnel taking distance learning courses through a Florida college or university pay different tuition rates depending on their resident status. Military personnel (and their family members) who are (1) residents of Florida, or (2) stationed in Florida, or (3) stationed at a base within fifty miles of a Florida university or college, pay in-state tuition. All other military personnel must pay out-of-state tuition which places in jeopardy an agreement between the United States Navy and the Florida Community College System, FSU, FCCJ and the FCCDLC. The agreement provides that the Florida Community College System will grant in-state resident status for tuition purposes to all active duty military personnel.

The Florida Community College Distance Learning Consortium (FCCDLC) has begun to look at the issue without reaching consensus. They have published a discussion paper which emphasizes the importance of "state decision makers adopting policies which would allow for the establishment of a special rate for distance learners." The paper points out that the SUS has also not reached consensus on the e-rate issue but that the SUS study of the issue indicates that 77% of 1,680 institutions surveyed by the National Center for Educational Statistics were charging the same tuition for distance learning and on-campus courses. The FCCDLC has asked the Division of Community Colleges to provide information related to the enrollment of in-state and out-of-state enrollees in Florida Community College Distance Learning courses so that an objective study of the e-rate issue can begin.

Options:
- Option 1 -- Single Rate - All Students - Indexed to In-State Tuition Rate
- Option 2 -- Single Rate - All Students - Established by FBE
- Option 3 -- Two Rates - Resident Rate and Higher Rate for Non-Residents
- Option 4 -- Three Rates - Resident Rate, Citizen Rate, Foreign Rate
- Option 5 -- Cost "Plus"
- Option 6 -- Pilot for Special Resident Students
- Establish a special e-rate for all military personnel which mirrors the in-state tuition rate.
- Authorize the FCCDLC to study the issue and make a consensus recommendation on the e-rate issue.

FACC 11/25/00: htalbvh

IT TRAINING

STUDENT FEES

Issue:

The student fee schedule for credit courses is cumbersome and difficult to understand. Discretionary fees such as financial aid, capital improvement, and student activity fees are each established under a different basis. The workforce fee policy does not coincide with the credit fee policy. The workforce fee policy does not give flexibility to local

trustees on matriculation fees.

The Authorization for 8% fee waivers in workforce programs was inadvertently eliminated during the last legislative session.

Why is this an issue:
Several years ago, statutory authorization for vocational programs was transferred from Section 240.35 to Section 239.177, Florida Statutes. The objective of this transfer of authority was to develop a uniform fee policy for workforce programs regardless of the delivery system. Because the public school system has operated under different fee policies than community colleges, a lack of uniformity resulted.

Options:

- Continue current practice.
- Develop parallel fee policies between credit courses and Workforce Development Programs.
- Set fee waivers for PSAV programs at 8% of total related fee revenue.
- Allow colleges and school districts to vary fees up to 10% below and 15% above standard fees as set in statute.
- Lump discretionary fees up to a limit of 20% of the matriculation fees and an additional 20% of the tuition fee instead of establishing separate parameters for each discretionary fee.
- Provide statutory authority for colleges and school districts to pledge up to 5% of the total matriculation and tuition fees as security against debt for lease purchase agreements.
- Delete language in F.S. 240.35 regarding the $250,000 threshold for collection of financial aid fee.
- Provide authorization to designate matriculation and tuition fees to be expended according to technology improvement plans approved by the Board.

FACC 11/27/00: htalm

IN-STATE TUITION AND FEES

Issue:
For the past several years, the Florida Legislature has elected to increase community college student tuition and fees to provide additional funding for the system rather than increasing the share of state dollars appropriated to the colleges.

Why is this an issue:

Several years ago the legislature made the decision that in-state tuition at the State's Community Colleges and Universities should equal 25% of the actual cost to deliver instruction. As such, over the past several years the legislature has increased in-state tuition rates for both community college and university students. These increases in in-state tuition and fees, especially at the state's community colleges, have enabled the legislature to use the increases to off-set any increases in state appropriations to the community colleges. In effect, this policy has shifted some of the burden for community college funding from the state to the student.

While the community colleges supported the initiative by the legislature to increase in-state tuition to 25% of the cost to deliver instruction, that initiative has been achieved and future in-state tuition increases will exacerbate three concerns:

- The median annual tuition and required fees charged to in-state Florida community college students is $1,387 which is $228 (120%) higher than the SREB average for in-state community college students. Obviously, future increases in in-state community college tuition and required fees in Florida will widen this gap between the SREB average and Florida's average.

- Since the majority of students who now enroll in one of the state's universities receive Bright Futures or other state-funded scholarship funds, in-state tuition increases have a minimal impact on students attending the state's universities. In fact, the burden for increased in-state tuition is passed on to the taxpayer who must fund increases in the state-funded scholarship programs to cover the increases in in-state tuition. Contrariwise, since the vast majority of students attending the state's community colleges do not qualify for state-funded scholarships, increases in in-state tuition negatively impact students attending community colleges.

- The gap between the in-state tuition and required fees for community college students and the in-state tuition and required fees for state university students is narrowing.

Options:

- Oppose any future increases in in-state tuition and required fees even if it means a smaller percentage of increase in operating dollars.

- Support increases in in-state tuition and required fees only if the appropriation to community colleges is not adequate to meet budgetary needs.

- Support legislative adjustments to in-state tuition and required fees as the legislature deems appropriate.

- Continue to benchmark in-state community college tuition increases to state university system in-state tuition increases.

- Support current legislation which sets in-state tuition at 25% of the cost of instruction.

FACC 11/25/00:htalbvh

DIVERSITY INCLUSION MODEL

Issue:

The State Board of Community Colleges is committed to the provision of opportunities for all at all levels of the community colleges. The Board embraces the enriching value of employee and student exposure to, interaction with, and leadership by persons of varying backgrounds in the educational environment. The Legislature supports this position, as is evident in Section 240.3355, Florida Statutes, which encourages the colleges to achieve diversity and inclusion, specifically in executive and faculty positions where diversity may be limited.

The community colleges have reported varying factors that limit success in meeting this challenge: The limited number and infrequency of job openings, particularly senior level, executive positions; the inability of the colleges to compete with university or corporate salaries that entice potential new hires; difficulty of luring qualified candidates into available positions due to the remote location of some of the colleges; the limited pool of candidates from diverse backgrounds who hold the appropriate credentials for open positions; and the inability of employees to forego primary income and benefits to obtain competitive credentials for these posts.

To exacerbate the problem, many current employees are retiring due to new retirement options and to previously planned retirement. Although current faculty and executives do not reflect the diversity of the students they serve, many of the experienced employees approaching retirement are members of underrepresented groups. If ever there was a time to staff key positions with highly trained employees from diverse groups, the time is now. A highly structured, highly effective model is needed.

Why Is This an Issue:
Despite rigorous nationwide searches and college efforts to implement special plans, additional methods are needed to achieve inclusion and diversity. Since 1996, the Legislature has supported this initiative in concept, but no funds have been appropriated for program implementation. The amount need to create the desired model costs **$325,000.**

Initiative: A Doctoral Scholars Program, a highly effective model, is suggested that considers release time, financial support, professional development and promotion of current, promising employees. Individuals committed to serving the local colleges and desiring to continue residing in their respective college districts would be targeted. The SBCC is seeking an appropriation to allow 10 employees to conduct full-time doctoral study, while retaining full benefits and half of current salary. At minimal cost to the colleges, the other half of the employee's salary would be retained and coupled with an allocation from the state to secure a full-time replacement. Studying in areas of critical need to the colleges, scholars would receive funds for tuition, books, fees; annual conference travel; administrative/student support services; and college replacement staff.

Options:
The SBCC might seek support from private sources; local colleges might seek private support that will enable employees to pursue specialized training in critical fields identified by the sponsoring college; local colleges might allocate funds for aggressive recruitment and incentive programs yielding desired employee demographics; or local colleges might designate funds for staff release time and financial assistance to achieve desired results. **See attachments.**

HIGH VISIBILITY/IMPORTANCE

Governance

GOVERNANCE

Issue:

In November 1998, the voters of Florida approved constitutional revisions reducing the number of elected members of the Cabinet from seven to four. The revisions, which take effect in January, 2003, also replace the function of the Cabinet as the State Board of Education and create a new State Board of Education with seven members which will be appointed by the Governor. This new State Board of Education will select and appoint a Commissioner of Education. In response to this constitutional revision, the 2000 Legislature passed the Florida Education Governance Reorganization Act of 2000. The bill established a "Transition Task Force" to accomplish a phase-in of the new governance structure over a three year period. It delineates that there will be a 7 member Florida Board of Education (FBE) appointed by the Governor; a Commissioner of Education appointed by the FBE; and the new Commissioner of

Education will appoint a Chancellor of K-12 Education, a Chancellor of State Universities, a Chancellor for Community Colleges and Career Preparation; and an Executive Director for Non-Public and Non-traditional Education. The bill also provides that nine-member boards of trustees will be appointed for each state university by the Governor, and, subject to the recommendation of the Transition Task Force, the BOR, the SBCC, PEPC, the ACC, and all other boards and divisions in the Department of Education will be abolished and their duties assigned to the new FBE.

Why is this an issue:

The Transition Task Force was appointed and began meeting in October of 2000 with the idea of making initial recommendations to the Governor and Legislature prior to the beginning of the 2001 Legislative Session. To prepare their initial recommendations, the Transition Task Force has divided into two committees. One of the committees will focus on the governance structure (and related functions) for all of education in Florida and the second group will focus on accountability. Obviously, any change to the current governance structure of the Florida Community College System could have a dramatic effect on the operations of the colleges and the colleges need to be pro-active on those governance issues and concerns which are necessary for the colleges to continue to excel in fulfilling their mission to the students and communities served by the colleges.

Options:

- The Council of Community College Presidents, the State Board of Community Colleges, and the Florida Association of Community Colleges should jointly adopt a position paper on those governance issues and concerns which are imperative to the effective and efficient operation of the colleges in fulfilling their mission to the students and communities served by the colleges. The positions identified in the position paper should be effectively advocated before the Transition Task Force and the Legislature. At a minimum, the position paper should address the following areas (a draft position paper is attached in the appendix):
    1) The role and responsibilities of the newly established Florida Board of Education.
    2) Statewide coordinating or governing boards versus local control.
    3) Two-plus-two, common course numbering system and, articulation between systems.
    4) The relationship between the Chancellor's office (Division of Community Colleges and Career Prep) and the individual colleges.
    5) Internal organization of the Community College System.
    6) Workforce development organization, delivery, funding and accountability.
    7) Equitable distribution of resources between and among systems.
    8) Accountability and performance-based funding.
    9) Management information systems.
    10) Financial aid.
    11) Presidents' contracts.
    12) Abolishment of Chapter 240 F.S.

- Form a coalition with the K-12 System and/or the State University System on those governance issues of common concern between the systems.
- Since the agenda for the Transition Task Force is bing guided by the Governor's office and legislative leadership, avoid any conflicts with the recommendations of the Transition Task Force.

FACC 11/25/00: htalbvh

HIGH VISIBILITY/IMPORTANCE

Access

FINANCIAL AID

Issue:
Surveys of students and potential students reveal the same truth: financial need remains the single greatest barrier to achieving a college education. This is particularly evident among the nontraditional students served by the community college system. For example, part-time students (which comprises the majority of community college students) are generally ineligible for need-based aid, and even if they were eligible for need-based aid, the aid could not be utilized to cover anything but tuition, fees and books. This means that the cost of other expenses such as child-care, transportation, cost of lodging, and so forth can not usually be covered by need-based scholarship programs.

Why is this an issue:
Currently, Florida has two primary financial aid programs: The Bright Futures Scholarship Program, which is based on

merit, and the Florida Student Assistance Grant (FSAG) Program, which is based on need. Over $250 million was appropriated in 1999-2000 to support these programs and 25 other smaller financial aid programs; however, the bulk of this appropriation was utilized to fully fund the merit-based Bright Futures Scholarship Program.

The majority of the students who receive Bright Futures Scholarships, which includes the Academic Scholars Program, the Merit Scholars Program, and the Vocational Gold Seal Program attend a state university. This is true even in the case of the Vocational Gold Seal Program which was designed to serve students entering a workforce development program. It should also be noted that part-time students can receive these merit-based awards.

In terms of need-based financial aid (FSAG), the legislature did appropriate an additional $20 million last year. However, even with this 40% increase in need-based aid, $50 million additional dollars was needed to meet the needs of students already identified as having need. Exacerbating this problem is the fact that 66% of the community college system's student body are part-time or enrolled in workforce certificate (PSAV) programs and are not eligible to receive need-based financial aid.

Legislation that died on the Special Order Calendar last year contained a provision that would have extended eligibility for receipt of an FSAG award to part-time students; however, additional funds were not appropriated to provide for part-time students even if the legislation had passed. Additionally, the proposed legislation provided that first priority for distribution of student assistance grants would be for full-time students with financial need who met the Talent 20 requirements; second priority for other full-time students with financial need; and third priority for part-time students.

During the Fall Term, 1998-1999, 66.7% (191,833 out of 287,411) of community college degree-seeking students were part-time students and, as such, were not eligible for need-based aid. Yet, it is the part-time student that may have the greatest need for student aid because, quite frequently, the part-time student is employed full-time to support a family.

The state has continued to disproportionately support merit-based financial aid instead of need-based aid. The fully-funded Bright Future program provides funds for part-time and full-time students. However, despite the increase in FSAG, need-based awards have been neglected by the legislature and part-time students are not eligible for most need-based aid programs.

Options:

- Fully fund the FSAG program.
- Create an FSAG category of funds for part-time students (not ranking, but separate category).
- Create FSAG category of funds for full and part-time PSAV students.
- The Vocational Gold Seal Scholarship statute should be amended to state that the award may not be used at an institution that grants baccalaureate degrees.
- Given that it is unlikely that both Careers for Florida's Future and FSAG will be fully funded, emphasize seeking full funding for and extending coverage of FSAG.

FACC 11/25/00: htalbvh

CAREERS FOR FLORIDA'S FUTURE

Issue:

The Workforce Innovation Act of 2000 (SB 2050) included a new financial aid program called the Careers for Florida's Future Incentive Grant Program. While the governor approved SB 2050 and thus the establishment of the incentive grant program in FS 445.012, he vetoed the $20 million appropriation to fund the program.

The program is designed to provide forgivable loans for full- and part-time students in targeted workforce areas: engineering, physical science, computer science, mathematics, and related technologies. Students eligible for the incentive grants must be attending a Florida university, college, or school and be enrolled in a 1) vocational or credit certificate programs, 2) lower division AA or articulated AS degree program, or 3) upper division. Grants for ATD,

credit or non-credit certificate and non-articulated degree seeking students are $2.00 per contact hour or $60 per credit hour with no maximum amount. Grants for lower- division students are $100 per credit hour up to a maximum of $1,500 per semester. Grants for upper- division students are $200 per credit hour up to a maximum of $3,000 per semester. To be eligible for the grants, students must have a Florida high school diploma or five years of Florida residency, maintain a 2.75 grade-point average in lower-division and upper-division courses, and agree to work in a related field in Florida on a year for year basis or pay back the grant.

The incentive grant dollars will be administered by Workforce Florida, Inc. and will be drawn by each institution prior to the beginning of each term. The funds for the Vocational or College Credit Certificate grants will flow through the Regional Workforce Board to the institution. Both the lower-division and upper-division college credit incentive grant dollars will be administered by the state Office of Student Financial Assistance and forwarded to each institution. All programs have time sensitive reporting requirements.

***Why is this an issue*:**
Legislative staff, legislators, the Governor's office and some Workforce Florida, Inc. board members have indicated an interest in funding the Careers for Florida's Future Incentive Grant program. The general discussion begins with the $20 million requested last year and the need for such a program to augment other financial aid programs is self-evident. Especially of interest to community colleges is the fact that the incentive grant program provides financial aid for part-time students and students who are enrolled in PSAV programs since part-time students and PSAV students are usually not served by other state and federal financial aid programs.

***Options*:**

- Careers for Florida's Future represents an increase in financial aid that is merit- and program-based -- not need-based aid. Recommend support for Careers for Florida's Future as need-based aid for full and part-time students. Eligibility requirements should be the same as FSAG with the addition of the program criteria and residency requirements.
- Recommend support for Careers for Florida's Future at $20 million in addition to increases in FSAG.
- Recommend the program become a grant program without the tracking of student employment for repayment purposes.
- The administration of Careers for Florida's Future funds between the Office of Student Financial Assistance within DOE and the Regional Workforce Boards (RWB) is confusing. The RWB are not equipped to handle complex financial aid issues. Recommend the Office of Student Financial Assistance administer all levels of the program.
- If this program is important to the community colleges, recommend a joint legislative strategy coordinated with the Division of Workforce Development, SUS and community colleges?

FACC 11/25/00: htalbvh

HIGH VISIBILITY/IMPORTANCE

Regulatory/Licensing

NURSING INSTRUCTION RATIO

***Issue*:**
The State Board of Nursing is considering a change in nursing student-faculty ratio from 1-12 to 1-8 for all clinical programs, among other issues.

***Why is this an issue*:**
The Florida State Board of Nursing (FSBN), which operates under the Florida Department of Health, promulgates rules that govern the requirements for programs that allow graduates to sit for the nursing licensure examination. These rules are in Chapter 64B9-2 of the Florida Administrative Code, with section 64B9-2.008 governing clinical experiences. Current rule [64B9-2.008(6)] states that "no more than 12 students shall be assigned to a faculty member for supervision

in providing direct care to patients/clients for any one clinical instruction period." The proposed change would make the rule read "8 students" rather than 12. This creates a serious problem, in a time of critical nursing shortages. The number of nursing education personnel required for clinical experiences would increase by one-third and the cost of instruction could also increase by one third.

This change comes at a time when there is a severe shortage of nurses at all levels, caused by increasing retirements, increased educational requirements, and pay/benefit disequalization. Colleges currently face difficulty finding qualified nursing faculty, and this proposed change will aggravate this situation.

- Hospitals and clinics are increasing concerned about the liability of one supervisor for 12 student nurses, who each have four assigned patients. This means that one preceptor is responsible-ultimately-for 12 students and 48 patients. Other nurses, physicians and staff caring for these patients/clients are usually available, but not responsible for students. Florida is currently the only state with a 1-12 ratio.
- This lowering of ratios has been proposed on a national level for several years by such professional.
- As teaching demands on the profession have risen and as more skills are required, the need to lower ratios has become more critical.

***Options*:**

- Oppose any lowering of the ration.
- Recommend amending the ration to 1-10 (the original change supported by some Florida Nursing educators), rather than 1-8, which would create a smaller degree of change and cost.
- Support Legislation requiring that the State Board of Community Colleges approve such changes so that instructional considerations can be reviewed.
- Seek additional funding to offset the cost increases that will be brought about by any change in the ratio.

FACC 11/25/00:htalbvh

OPTICIANRY

Issue:

The State Board of Opticianry is the statewide licensing body for all opticians in Florida. It falls under the Department of Health who, through its budget request, has proposed the elimination of the State Board of Opticianry and its functions. To be licensed in Florida, an optician must satisfy educational requirements, pass two national exams, and demonstrate competence in a three-part state examination. An optician may substitute the educational requirement by completing a three to five year supervised apprentice program. The State Board of Opticianry assures competency through testing, continuing education, discipline, sanctions and the regulation of optical offices. Currently, Hillsborough Community College, Miami-Dade Community College and Broward Community College offer the educational component required for licensing. Additionally, the functions of the state Board of Opticianry are fully

self-supporting through the fees collected from the administration of licensing examinations.

Why is this an issue:
The practice of licensing opticians ensures that certain educational requirements have been satisfied and that those practicing can demonstrate the necessary competencies to safely carry out their functions. It is just as important to have a licensed optician filling optical prescriptions as it is to have a licensed pharmacist filling medical prescriptions. This is an issue of public health and safety. Certain large chains will argue that the training that they provide is sufficient and licensing is not necessary and strictly bureaucratic; however, it would appear that this initiative is merely an effort to decrease labor cost on the part of some industry representatives as licensed opticians receive professional wages (approximately $16/hr).

Options:

- Educate the Department of Health, the Governor's Office, and legislators on the impact that a proliferation of non-licensed opticians could have on the safety of Floridian's vision. Licensing should continue to remain a function of the state Board of Opticianry within the Department of Health.

- Work to ensure that through the budget process, the state Board of Opticianry continues to receive their appropriate funding level.

FACC 11/25/00:htalbvh

FLORIDA BUILDING CODE

Issue:
The Florida Legislature has invested several years in the creation and the implementation of a statewide, uniform building code. The code will be fully implemented in 2001. As such, the 2001 Legislative Session will present the last opportunity to refine the code prior to final implementation. The Community College System, with K-12 representatives and State University System representatives, worked together to ensure that the new code allowed options for colleges, singularly or in consortia, to provide inspections and not be totally dependent upon local municipalities for inspections and permitting. This flexibility was not won easily and should be protected. The community colleges will continue to work with the K-12 and State University System to address common concerns.

Why is this an issue:
The Florida Community College System, through the new code, will be required to make decisions regarding its ability to serve as its own building code inspection department, to form a consortium with other like entities, or to contract back to another local agency. This will be a large departure from the past operations of the colleges. Regardless of the option a college chooses, there will be associated fiscal impacts.

The training involved in implementing the new code, statewide, will present an opportunity for community colleges to offer leadership. The Department of Business and Professional Regulations has been charged with the training and the community college system should continue to work to develop curriculum and training opportunities to meet the expected need. Daytona Beach Community College has created a draft electrical curriculum as a model for DBPR.

Options:

- Monitor pending legislation for any potential erosion of our current exemptions (especially fees and ordinances) and other code changes.
- Provide strong intent language related to community colleges' exemption to local zoning. Legislation amending F.S. 235 related to strengthening and clarifying current provisions on planning coordination with local governing bodies should be submitted to accomplish this. This is also an issue with the K-12 system.
- Work with the Department of Business and Professional Regulations to ensure a role for community college's as a training provider and related budget action.

FACC 11/25/00: htalbvh

HIGH VISIBILITY/IMPORTANCE

Other

WORKFORCE TAX CREDITS

Issue:

The Information Technology Association of America estimates that the demand for IT workers will reach $1.6 million this year, with more than half of those jobs going unfilled because of a shortfall in skilled workers. The greatest need for IT workers are in smaller non-IT firms of 50-99 employees. These companies are least likely to have their own training programs in IT nor are they likely to have education cost reimbursement programs. A tax credit on corporate income tax for paying tuition and fees for employees or sponsored individuals in specified Information Technology programs can be an incentive for companies in Florida to assist the state in addressing the critical need for IT workers.

Why is this an issue:
Recruitment of individuals into the IT filed is a major challenge. In fact, the shortage of trained IT workers is so acute, congress recently expanded visa's for foreign-born IT workers. By providing businesses, especially smaller companies, with a tax incentive to assist their employees with training costs, businesses in Florida can enter into a partnership with the state in addressing the critical demand for IT workers. Recruitment of IT workers can be further expanded by allowing tax credits for companies who sponsor individuals for IT training who may be prospective employees after the training is completed thus ensuring a supply of IT workers in the future.

Under this plan, tax credits would be limited to $50,000 per corporation and $5 million statewide on an annual basis. At an average cost of training per individual of $5,000, this incentive will produce at least an additional 1,000 IT workers annually.

Options:

- Propose a statutory amendment to the Florida Corporate Tax Code which would be implemented by December 2001, and tax credits would be granted for calendar year 2002 as recommended by PEPC. Specfically: the tax credit would be provided for corporations that:

  1) pay the matriculation and fees on behalf of one or more current or prospective employees in a targeted program identified by Workforce Florida, Inc.
  2) make a cash donation to a central Workforce Incentive Pool overseen by Workforce Florida, Inc. and the Department of Education and designed to support local education/business partnerships in the design and delivery of targeted programs.

FACC 11/25/00:htalbvh

WORKFORCE FLORIDA, INC.

Issue:
During the 2000 legislative session, SB 2050 was passed to combine all federal workforce funds under a new public/private partnership called Workforce Florida, Inc. This new entity will be governed by a board of directors (WFIB) chaired by Senator Toni Jennings. WFI combines the responsibilities of the former state Workforce Development Board of Enterprise Florida, Inc. and the old State WAGES Board.

Florida has been returning unused federal funds for the past two years due to the state's inability to connect services with individuals who need service. The Goal of WFI is an improvement in services and more effectively coordinated expenditures of Federal funds, including TANF Employment and Training Funds, Wagner-Peyser Funds, Welfare to

work Funds, and Workforce Investment Act Funds. The new state board will also coordinate the efforts of the Regional Workforce Boards (RWB).

The WFIB is establishing their goals and processes. Three subcommittees were created: 1) First Jobs/First Wages, 2) Better Jobs/Better Wages, and 3) High Skills/High Wages. One identified goal that has been set by the WFIB is to train 1,000 information technology (IT) workers by March 2001. The High Skills/High Wages subcommittee will determine how to best reach that goal. The Better Jobs/Better Wages subcommittee will focus on incumbent worker training. The Better Jobs/Better Wages subcommittee will focus on training for the numerous part-time workers who have been moved off Welfare but are not yet self-sufficient. The First Jobs/First Wages subcommittee will focus on the services needed for entry-level workers and those moving off the Welfare roles for the first time.

***Why is this an issue*:**
The Federal Workforce Investment Act increased requirements for training efforts; however, the Florida Community College System has not yet seen a significant increase in training funded by Regional Workforce Boards who determine the expenditure of federal funds. The state WFIB has publicly acknowledged the need to improve and increase training opportunities for all levels of clients and may recommend that the Florida Legislature increase the amount of state and Federal funds available for workforce development training at all levels. In addition, the WFIB has the authority to issue new guidelines to the Regional Workforce Boards for increased training in specified programs.

Since the High Skills/High Wages Committees of the Regional Workforce Boards are also in the process of identifying Critical Jobs in each region (due by October), interaction with the Regional Workforce Boards is important for our colleges. In all likelihood, the critical jobs identified by the Regional Workforce Boards will be a justification for the Horizon Job/Critical Job budget request included in the community college system's budget proposal.

***Options*:**
- Closely monitor the Workforce Florida, Inc. Board meetings and all subcommittee board meetings to encourage additional training dollars for all levels of workforce development training.
- Impact the Regional High Skills/High Wages Committee's selection of critical jobs for each district.
- Support legislative efforts to increase state requirements for training and increased funding for training.
- Seek to establish incentive programs that will reward community colleges for serving Workforce Florida clients.

FACC 11/25/00: htalbvh

APA RULEMAKING

***Issue*:**
The Administrative Procedures Act, codified in Section 120, Florida Statutes, governs rulemaking at Florida's community colleges. Among its applicable provisions, the APA requires colleges to publish numerous notices in local newspapers and by other means, according to various time schedules, and conduct formal Board rule workshops if so requested. If the detailed requirements of the rulemaking process are not followed precisely, colleges may face rule challenges - which if successful could result in a rule being declared invalid and an award of attorneys fees to the challenger. Consequently, an inadvertent APA technical error could be quite costly.

There is much uncertainty among the colleges as to what constitutes a "rule" under the APA and what is merely an implementing procedure or an internal management memorandum. The differences are critical. The result is that far

too many matters are churned through the time-consuming, full-blown formal rulemaking process unnecessarily, which is both costly and inefficient for the colleges.

Why is this an issue:
Community colleges are not statewide regulatory or enforcement agencies as generally contemplated by the APA. The APA – as applied to statewide regulatory or enforcement agencies – is not always appropriate or effective when applied to locally governed community colleges.

It is unclear as to whether Florida's current exclusionary language in Section 120.52(15)(a), "*Internal management memoranda which do not affect either the private interest of any person or any plan or procedure important to the public and which have no application outside the agency issuing the memorandum*" achieves this critical distinction. Florida should at least join numerous other states in recognizing that internal management policies, while important, are distinct from rules relating directly to the regulatory missions of state agencies and their interactions with the regulated or licensed public. For community colleges, this will translate into increased efficiency, decreased bureaucracy, and savings to taxpayers – with no sacrifice in effectiveness or performance

Options:

- At the very least, the Legislature should clearly distinguish, for APA purposes, in Section 120.81 for educational units, "Rules" (which apply generally to the public), from "Internal Management Policies" (which apply only to public employees in their capacities as public employees). Language found in other states' APAs to exclude the latter from the definition of "Rule" could be amended to Florida law.
- Next best, the Legislature should adopt language similar to that found in Washington's APA, which would provide relief for community colleges, state universities, and school districts:

  Notwithstanding s. 120.52(15), the definition of "Rule" as used in this act shall not include policies, procedures or rules of educational units involving standards of admission, academic advancement, academic credit, graduation and the granting of degrees, employment relationships, or fiscal processes.
- Most helpful would be a provision excluding policies, procedures or rules of educational units from the APA definition of "Rule."

It is worth noting that, In 1997, the Legislature amended Section 120.542 (1) by adding, *" public employee is not a person subject to regulation under this section for the purpose of petitioning for a variance or waiver to a rule that affects that public employee in his or her capacity as a public employee."* The Legislature has already made a clear distinction between the role of an agency as a regulatory body that promulgates rules that affect the public generally on the one hand, and on the other as an employer that promulgates internal management policies that do not affect the public generally, but only affect public employees in their capacities as public employees. Here, the Legislature rightly determined that allowing public employees to petition for variances and waivers against their public employers would have a created a "shadow grievance system," and would have severely undermined the employer-employee relations. A similar exclusion for students was included in Section 120.81(j). Under Section 120.81(f), students are also excluded from administrative hearings requirements.

FACC 11/25/00: htalbvh

FRS/DEFINED CONTRIBUTION OPTIONAL RETIREMENT PLAN

Issue:
HB 2393, a sweeping revision of the state's retirement plan, was passed by the 2000 Legislature. The bill changes the vesting period for FRS participants from ten years to six years and establishes a Defined Contribution/Optional Retirement plan in accordance with section 401(a) of the Internal Revenue Service Codes for all state employees. This change will go into effect in June 2002. Other major provisions in the bill include: (1) A one-time, irrevocable option to select between the Defined Contribution/Optional Retirement Plan and the current FRS Defined Benefit Plan; (2) a required "education" component for all employees who select the Defined Contribution/Optional Retirement Plan; (3) Vesting after 12 months of full-time service for participants in the Optional/Defined Contribution Plan; and, (4) A one-time option for all active employees who have FRS Defined Benefit Plan service credits to transfer the present value of the accumulated FRS Defined Benefit Plan balance to the Defined Contribution/Optional Retirement Plan.

The state's Defined Contribution/Optional Retirement Plan will officially be called the Public Employee Optional Retirement Program. It will be administered by the State Board of Administration which will receive input from an Investment Advisory Committee and an Employee Optional Retirement Program Advisory Committee.

Why is this an issue:

The passage of this legislation left unresolved several issues which should be addressed in a glitch bill. Specifically:

- Under the defined contribution plan, changes in the retirement contribution rate will have a significant impact on the amount of the benefit that can be paid to each retiree upon retirement. Contrarily, changes in the retirement contribution rate will not have a significant impact on the amount of the retirement benefit payable under a defined benefit plan since the retirement benefit is fixed. Thus, the percentage of salary an employer must pay into either plan on behalf of the employee should be fixed in statute. If it is not fixed, and the legislature elects to change the retirement contribution rate each year, it would be impossible for a community college employee to evaluate the anticipated value of the defined contribution plan.
- The date for enrolling Community College employees into the optional/defined contribution plan has been set as June 1, 2002 which is inappropriate since many full-time faculty are on summer leave.
- There appears to be an effort to phase-out the Division of Retirement (FRS) in favor of privatizing the Defined Benefit Program currently administered by the Division of Retirement. As such, there is no role for the Division of Retirement (FRS) in regards to the required educational component. This means that all employees will learn about the defined contribution/optional retirement plan from third-party administrators who represent the private sector interests and not necessarily the interests of college employees.
- Several years ago the legislature established an optional/defined contribution plan for community college faculty which differs in several respects from the optional/defined contribution plan established by HB 2393. For example, faculty who elected the earlier defined contribution plan were not allowed to transfer benefits earned under the FRS/defined benefit plan to their optional /defined contribution plan. Employees who choose the optional/defined contribution plan under HB 2393 will have that option.
- It appears that HB 2393 unfairly penalizes employees who choose the defined benefit plan over the new optional/defined contribution plan by providing a one-year vesting period for optional/defined contribution participants and a six-year vesting period for FRS participants. This will serve as an incentive for community college employees to choose the optional/defined contribution plan when it may not be the appropriate plan for every community college employee.

Options:

- Work to ensure that both the Investment Advisory Committee and the seven member Public Employee Optional Retirement Program Advisory Committee includes representatives from community colleges.
- Seek legislation– perhaps in a glitch bill– that will ensure adequate education for all employees.
- Appoint a committee of college presidents, FACC members, college personnel officers, and State Board Staff to formulate recommendations on behalf of the community college system in regards to each of the issues identified above, and to advocate those recommendations with the DMS and the Legislature.
- Seek a "glitch bill" that allows community college employees to enroll in the optional program beginning in either August or September of 2002 as opposed to the current date of June, 2002.

FACC 11/25/00: htalbvh

REPORTS REDUCTION

Issue:

For the past few years, the Governor and legislature have sought ways to streamline government by removing obstacles which hinder the efficient and effective operations of government agencies. As such, policymakers have repeatedly requested agencies to identify rules, statutes, policies, and reporting requirements that are outdated, redundant, ineffective, and/or an impediment to the efficient and effective operation of an agency.

Why is this an issue:

In an effort to respond to this initiative to streamline the operations of the community college system, the colleges have identified the following rules, policies, procedures and reporting requirements which are outdated, redundant, ineffective and/or an impediment to the efficient and effective operation of the community college system.

- **Adults with Disabilities -- Definition:** Definitions in current state statute are more restrictive than federal definitions related to adults with disabilities. Provisions in this recommendation would align state definitions with federal definitions, thus providing clarity, eliminating confusion and streamlining reporting requirments (ss. 240.152 and 240.153, F.S.).

- **Vocational-Preparatory Instruction:** This recommendation would restore in statute a credit hour threshold for the testing of vocational prep students rather than testing all vocational prep students regardless of the number of hours for which the studetn is enrolled. It would also conform definitions related to disabled students; and permit certain exemptions for apprenticeship students in accordance with federal regulations.

- **Private Provider Remedial Instruction:** This recommended statutory change would remove a burdensome requirement related to notifying students about alternative remedial education courses offered by private providers.

- **Enrollment Calculations:** Under current statute, students who repeat a course for which they received a "C" or higher grade must be counted as lifelong learning students (not eligible for state funding) for FTE purposes on the second and subsequent attempts at the course. This recommended statutory change will allow colleges to report these students as credit students for reporting requirements while still prohibiting the colleges from submitting them for FTE funding purposes. As a result, colleges will no longer have to go through the process of converting these student's college credit hours in the repeated course to lifelong learning clockhours.

Options:

- Identify the provisions of interest and support a separate bill for each issue.
- Prepare and support ONE omnibus "report reduction" bill that includes as many of the above-mentioned provisions as we would like – perhaps even include the APA changes.
- Seek statutory change through legislative activity related to governance reorganization.

FACC 11/25/00:htalbvh

WATCH ISSUES

CONTIGUOUS COUNTY TUITION ISSUES

***Issue*:**
Several colleges that border Alabama and Georgia have been interested in allowing residents of contiguous counties in those states to attend classes at in-state tuition rates.

***Why is this an issue*:**
The state of Alabama allows the residents of Escambia, Santa Rosa, Okaloosa and Walton Counties to attend Alabama colleges for in-state rates. During the last session of the Legislature, the University of West Florida amended statute to allow them to admit students from contiguous counties to attend at in-state rates, but the FTE are non-fundable. Should PJC, OWCC, GCCC, CJC, TCC, NFCC and FCCJ seek similar legislation?

In early 1994, the Alabama Commission of Higher Education proposed a reciprocal agreement to "provide an

opportunity for nonresidents within thirty (30) miles of a public institution in Alabama or Florida to attend the nearest college of choice and be recognized as a resident for tuition purposes." Indeed, a "Tuition Reciprocity Agreement" was drawn up and discussed at a meeting held at Wallace State Junior College in Dothan, Alabama on March 14, 1994. However, the staff and members of the Florida Legislature choose not to review the proposal and it died.

During the 2000 session of the Florida Legislature, the University of West Florida, acting on its own, amended CS/CS/HB 1567 to allow, with the Board of Regents approval, a "plan for a differential tuition fee for students who are residents of another state that borders the university's service area." This issue was heard by the BOR on July 20-21 and only UWF was allowed to pursue such a plan. It has yet to receive final approval. Other universities (FSU and UNF) were not allowed to use the authority. South Florida universities wanted to allow Caribbean and Central and South American residents to count as "border" areas.

Should those community colleges in North Florida that border other states seek the same or different opportunities? Under current law [F.S. 240.35(14)] each college is allowed 40 FTE, which are fully fundable. Would we run the risk of losing these waivers?

Options:

- Seek a change in the law to allow "differential" tuition or fee waivers. Or seek a reciprocal position with Alabama and Georgia.
- Leave things as they are.

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APPRENTICESHIPS

Issue:

During the 2000 Legislative Session, several hearings were held in committees regarding apprenticeships. The House Education Fiscal Committee held a full day of hearings with presentations by community colleges, state staff, unions and businesses that utilize apprenticeships. Prior to the Session, the Senate Select Committee on Workforce, chaired by Senator Jim King, held many public forums and apprenticeships were discussed several times. The consensus was that apprenticeships were beneficial and that there should be more opportunities available. In SB 2050, oversight of apprenticeship programs was transferred from the Department of Labor and Employment Security (DLES) to DOE. OPPAGA is currently conducting an institution by institution review of apprenticeships and is expected to make

recommendations.

Why is this an issue:
Apprenticeship programs are part of the Division of Workforce Development within DOE. Such programs are defined as being "highly structured training programs of on-the-job training supplemented by related technical instruction to develop, maintain, and expand skills, and as a training system used by various groups of employers, both union and nonunion, to sustain a skilled workforce and maintain quality workmanship.

Chapter 446.045 F.S. provides for the creation of a State Apprenticeship Council composed of 13 members which is advisory to the Division of Workforce Development. The purpose of the council is to represent Florida's apprenticeship community and to advise the division on matters relating to registered apprenticeship.

There has been concern by some colleges about the fairness of the local apprenticeship arrangements with union and/or non-union groups, however most programs appear to be working smoothly.

Options:

- Monitor the OPPAGA study and recommendations.
- Monitor the issue to determine if and when any action or position should be taken.

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